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RUEHVI/AMEMBASSY VIENNA 0301
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RUEAIIA/CIA WASHINGTON DC
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TAGS: [KNNP](#) [PREL](#) [PTER](#) [PGOV](#) [MNUC](#) [IAEA](#) [ENRG](#) [TRGY](#) [PK](#)

SUBJECT: PAKISTAN SUPPORTS CONCEPT OF NUCLEAR FUEL BANK,
BUT WITH CONDITIONS

REF: SECSTATE 57093

Classified By: Anne W. Patterson for reasons 1.4 (b) (d)

11. (C) Summary: PolOff delivered reftel demarche soliciting support for international fuel bank proposals to Kamran Akhtar, Disarmament Director in Pakistan's Ministry of Foreign Affairs, on June 15. Akhtar stated that Pakistan can support the idea of a fuel bank operated by the IAEA, but has reservations about some of the proposals, namely regarding conditions of supply. He was noncommittal on offering a statement in support of any of the proposals at the IAEA Board of Governors meeting. End Summary.

12. (C) PolOff delivered reftel demarche soliciting support for international fuel bank proposals to Kamran Akhtar, Disarmament Director in Pakistan's Ministry of Foreign Affairs, on June 15. Akhtar said that fuel banks offered great promise and that Pakistan could support some of the proposals, but had reservations about those that would require membership in the Non-Proliferation Treaty (NPT) or contain other conditions Pakistan cannot meet. In particular, he noted, the Russian fuel bank proposal requires comprehensive safeguards as a condition of supply; Pakistan implements facility-based safeguards and, therefore, does not qualify under this plan.

13. (C) Akhtar singled out the Nuclear Threat Initiative fuel bank plan for praise. He intimated that this plan requires only safeguards on the transferred fuel, meaning Pakistan could be eligible. Pakistan supports further study of this proposal, he said, including whether it would involve other conditions of supply, such as adherence to international conventions on nuclear safety and liability. He also stated that additional discussion is needed on the concept of fuel banks as a "last resort" if the commercial market fails for non-commercial reasons. In Pakistan's case, he queried, would nonsupply of nuclear fuel due to Pakistan not meeting Nuclear Suppliers Group (NSG) guidelines be considered a supply disruption that would make Pakistan eligible to approach the fuel bank.

14. (C) Regarding opposition of the Non-Aligned Movement (NAM) to fuel bank plans, Akhtar stated that there was currently a schism among NAM countries preventing consensus. India and Pakistan, both non-signatories to the NPT, object to efforts by Egypt, Indonesia, and others to make NPT membership a condition of supply in such arrangements, while other NAM states are concerned about any hint of a curtailing

of NPT Article IV "rights" guaranteeing peaceful nuclear cooperation. He suggested that a NAM statement on fuel banks would not be forthcoming at the Board of Governor's meeting. He was noncommittal on whether Pakistan would offer a statement on its own in support of any of the fuel bank proposals.

15. (C) Comment: GOP support for an international fuel bank stems from its desire to access the commercial nuclear market and expand its nuclear power program, which NSG Guidelines currently prohibit. A fuel bank with fewer conditions of supply could potentially give Pakistan a back door into an expanded civil nuclear power program should it qualify as a fuel bank recipient. If the GOP makes a statement in favor of a fuel bank at the Board meeting, it certainly will be on Pakistan's terms. End comment.
PATTERSON